

BEST PRACTICES

SPOTLIGHTING WHAT WORKS: Award Winning Community Development Successes

August 19, 1997

Volume II: Issue No. 1

Welcome to the second year of **Spotlighting What Works**, a bulletin that shares information about the exemplary professional practices of community development practitioners across the country. This year the bulletin will highlight the best practices of many of the 1997 John J. Gunther Award recipients, as well as issues dealing with HUD's Grants Management System, and other issues facing practitioners today.

This issue features the recent symposium on Best Practices where grantees not only received the first ever John J. Gunther awards, but also went to work.

In sharing with you such examples of innovation and creativity among communities, HUD staff, and others, we hope to raise the standard of community development by learning from and building upon the successes of others.

EXCELLENCE ABOUND AT BEST PRACTICES SYMPOSIUM Communities Share "Secrets," Shape HUD Policy

At A Glance . . .

Representatives from over 200 communities were invited to Houston last month to attend the "Building on Best Practices" Symposium where these grantees were not only recognized for their superior performance over the past year in community development activities; they were also invited to share the "secrets" behind their successes, and to problem-solve with each other throughout the three-day event, peer-to-peer.

A number of plenary sessions, break-out sessions, receptions, and bus tours around the metropolitan area provided both formal and informal opportunities for exchange among grantees. Most sessions were primarily grantee-driven, with heavy participation in the presentations, the recording, and the facilitation by grantee participants.

In addition, a smaller group of grantees worked with a Policy Committee, formed by HUD's Office of Community Planning and Development, to provide feedback on CPD's Grants Management System (GMS), implemented for the first time over the past year, in an effort to fine tune its usefulness to, and effectiveness for, grantees in the new Consolidated Plan cycle. Grantees raised important issues and offered concrete suggestions, subsequently forming issue-oriented working groups that will work together over the

Stellar Grantees Receive Blue Ribbon And a "Pat on the Back"

Tom Argust, Commissioner for the City of Rochester, New York, did not quite know what to expect upon arriving in Houston for the three-day "Building on Best Practices" Symposium (July 8-10). Neither did Jeff Meadows of Cape Coral, Florida. But, after being recognized among 237 winners of the first-ever *John J. Gunther Blue Ribbon Practices in Community Development Awards* (named in memory of an important figure in the development of HUD's largest community development program, the Community Development Block Grant Program), both returned home with a new outlook on the work they do and on the role HUD plays in helping local communities help themselves.

"There is a very positive attitude now among our staff as a result of the recognition they've received," said Meadows, a community development planner. Argust agreed, "We now have a sense of being confirmed by HUD -- that we truly are doing something good." He continued, "HUD gave local communities a pat on the back, which then gave these localities an opportunity to return home and pat themselves on the back."

Another Symposium participant concurs. After returning home, Dr. Monica Lett, Director of Housing/Neighborhood Development of the City of Winston-Salem, North Carolina, said that her staff was even preparing to host a localized version of the Blue Ribbon Practices awards known as "Partners in

Progress."

Sharing "Secrets"

The 362 participants representing 237 communities gathered in Houston were recognized for their achievements in several areas of community development: Consolidated Planning, Economic Opportunity, Decent Housing, Continuum of Care, Suitable Living Environment, Program Requirements, IDIS and Reporting, and Overall Management.

But, it was more than recognition that brought these top-performing practitioners to Houston. They also came to grapple with colleagues about local problems and issues they are facing and to share with each other the "secrets" behind their achievements -- all in the spirit of raising the bar of community development expertise in practice nationwide.

Helpful Hint . . .

- **What are Best Practices?** Recognition of top-performing grantees to be used to promote peer-to-peer learning. These top performers become resources for improving the performance of other grantees, as a way of improving the

Break-Out Sessions Break with Tradition

The City of Cape Coral already had its IDIS conversion plan in place when Jeff Meadows arrived at the Symposium. However, after participating in the break-out sessions, he said he now "has new ideas about things . . . finding new insight after talking with those who had already been through the [IDIS conversion] process."

John Greiner, Housing Policy Officer for the Maryland Department of Housing and Community Development, said he particularly enjoyed the presentation by the City of New Albany, Indiana's innovative Neighborhood Planning Program, and the State of Mississippi's presentation on its thorough, front-end review of all projects proposed for funding. From these presentations, he was able to bring back lots of information to share with his staff to perhaps improve upon what they do in Maryland.

The hour-long break-out sessions ran concurrently on eight different topic areas each morning and afternoon. The unique feature of each session, however, was that each was totally grantee-driven. The presentations themselves were not only made by grantees; grantees also served as facilitators, promoting thoughtful discussion among participants and distilling common themes among topics brought to the floor. Each session also had a grantee scribe who carefully recorded salient points of discussion that were then reported back the next day to

the entire body during the morning plenary sessions.

"There was not just one person there preaching theory. The conference was practitioner-to-practitioner," said Meadows. "I could identify with the presentations made and the problems that practitioners around the country are facing."

One such presenter was Commissioner Argust, who said, "I was humbled by the number of people truly interested in what [the City of Rochester] was doing, and asking questions about replicating something similar in their own communities." He added that, by attending other presentations, he was able to bring back information about community development activities taking place in the Commonwealth of Puerto Rico to share with his staff in New York.

Other Opportunities for Exchange

The Symposium provided a variety of informal opportunities for exchange among grantees, including exhibits by grantees telling the story of their Best Practice achievement. A welcoming reception hosted by Commissioner El Franco Lee, of the first Precinct in Harris County, Texas, provided another casual atmosphere in which to meet grantees from other parts of the country, to follow up on break-out session topics, or simply to put a face with a HUD staff person's name with whom they may have dealt only by telephone.

Another highlight of the Symposium was a series of bus tours through Houston and the surrounding Harris County area. These tours focused on three topic areas, Continuum of Care, Economic Opportunity, and Decent Housing, visiting specific sites where successful projects, businesses and/or programs were up and running. This gave participants an opportunity to ask questions, first-hand, of local builders, homeless providers, and entrepreneurs, finding out the "how-to's" of what they do.

These bus tours, receptions, and exhibits added to grantees' overall Symposium experience, providing a plethora of things to see, do, talk about, and recollect upon their return home.

Grantees Help Fine-Tune Grants Management Instrument

"It's always helpful to have local grantees involved," said Jim Nichol, CPD Director of the Florida State Office, referring to the 25 practitioners asked to arrive one day early to the Symposium for the purpose of offering feedback to CPD on its Grants Management System (GMS). "[Grantees] are the reason why we are doing what we do, so it only makes sense that they be involved," he continued.

GMS was developed last year and implemented by HUD Field Offices for the sheer purpose of enhancing communities' performance. One of the hallmarks of CPD's approach to grants management has been its move away from HUD's historical role as monitor, while moving toward its current role as "partner." Part of that

effort involved empowering field offices in decision-making and in providing feedback to Headquarters on matters of policy.

What is GMS?

The Grants Management System was designed to enhance a community's performance. It is based on the Consolidated Plan cycle, and was designed to answer three primary questions:

What did the community say it would do?

What did the community actually do?

What is HUD's opinion of what the community did?

The Consolidated Plan cycle consists of the following:

1. **HUD Consultation.** HUD and communities set goals for the Program Year and find mutual solutions to local concerns.
2. **Consolidated Plan Review & Assessment.** The grantee's Plan is reviewed for its effectiveness as a guide and for its overall quality and clarity to communicate objectives to citizens.
3. **Performance Based Management.** An ongoing effort throughout the Program Year to assess grantee performance and overall effectiveness.
4. **Community Performance Report.** The grantee prepares a Consolidated Annual Performance and Evaluation Report for HUD in order to show what it has accomplished during the Program Year.
5. **Annual Community Assessment.** This is CPD's summary of a grantee's overall performance, from planning to implementation. This is where HUD documents its opinion of the grantee's overall performance.

Consequently, a Policy Committee was formed in 1996, comprised of several HUD field office directors from around the nation, to help structure the basic philosophy and operating principles that culminated in last year's implementation of GMS.

In the same way that the Policy Committee was developed last year, a working group of grantees was formed at the Symposium this year to offer feedback to the Committee on GMS, representing the next step in its refinement.

Practitioners selected to participate with the Policy Committee in these working sessions had received Blue

Ribbon awards in more than two categories. CPD Director of the Alabama State Office, William Dirl, believed it to be an asset having the grantees' perspective represented at the policy sessions. "They brought a perspective of practical reality to the sessions. They have the benefit of having been there, and of having done it," he said. "They know what will work and what won't."

On the afternoon before the Symposium, grantees from the states of Florida, Georgia, Kentucky, Maryland, Mississippi, New Jersey, New York, North Carolina, Texas, Vermont, and Wisconsin engaged in a free flow of ideas, i.e., brainstorming, of important grants management issues.

For them to be able to give meaningful input, however, they needed to know the history behind the development of GMS.

Grantees Take a New Look at HUD

"I didn't understand, until the Houston conference, what was behind the Consolidated Plan and why it was so important for grantees to use it," said Winston-Salem's Dr. Lett, referring to a series of background information that was shared with Symposium participants to enlighten them about *why* grantees are asked to fulfill certain requirements.

For example, Symposium participants learned, with some surprise, that Congressional challenges in recent years have been to the very *existence* of HUD, not to mention the future of CPD funding; and that it was the assertive defense of CPD and its programs to Congress by the Administration that placed far more emphasis on grantee *performance*, resulting in streamlined reporting measures and performance-based management initiatives and more.

Meadows said he appreciated being there in Houston, because it was there that CPD helped to "put things into perspective for us. . . . HUD answers to Congress, [which] crystalized for all of us *why* HUD mandates certain activities on the grantees' part."

Performance-based management became the cornerstone of CPD's current grants management philosophy, with respect to evaluating each grantee and its accomplishments throughout the program year based on what the grantee *said* it would do at the start of the program year, rather than by some arbitrary national performance standard that could never account for local needs, priorities, or circumstances.

Grantees attending the Policy Committee session began to understand why it is no longer enough for HUD to simply show Congress where Federal dollars go every year. HUD must now demonstrate to the American public what it is getting *in return* for those dollars, i.e., what the return on its investment is, and that means showing results! This was the backdrop against which the Grants Management System was presented to the working group.

Helpful Hint . . .

- **"Don't 'show me the money'; show me the results!"** Such words might be those of the American taxpayer for whom it is no longer enough for HUD to demonstrate merely how/where public dollars have been spent. Today, HUD must be able to show America what it

Grantees "Thrilled" to Provide Feedback On Grants Management

Once these grantees got rolling providing feedback on how GMS could be improved to serve them better, one thing led to another and, before you knew it, two hours had passed. So many ideas were being generated by grantee participants, along with suggestions being made, that at one point, Andy Scott, of the City of Greensboro, North Carolina, slowed the momentum a bit only to clarify the fact that the afternoon's suggestions were in no way meant to criticize HUD; rather, they as grantees are just "thrilled to have been asked their opinion. . . . HUD doesn't usually ask their opinion very often!"

Their opinions were of the 1998 plan for the Grants Management System, which the Policy Committee had presented to the group using a laptop computer and a projector on a screen while Committee members explained each of the steps in GMS. The 1998 plan was built upon last year's plan, with adjustments made where experience had taught a particular lesson.

IDIS

Among the suggestions made by these grantee participants were the expanded use of IDIS, making it (a) more user-friendly, with added features like pull-down menus and expanded narrative fields; and (b) more useful as a management tool, expanding its ability to accept more data pertaining to funding sources outside of HUD funding. Grantees want to be able to demonstrate how they have leveraged HUD dollars many times over in the private and/or nonprofit sectors.

Technical Assistance

Another important point was raised about expanding the use and accessibility of expertise around the country to provide technical assistance to grantees on local matters. Therefore, it was suggested that it might be helpful to develop a database of community development professionals with highly developed skills and expertise in particular areas, to be called upon later to assist grantees as needed. This suggestion follows a primary principle in GMS -- that of placed-based community development, implying that HUD wants to assist grantees in rounding up whatever resources are

necessary, locally, regionally, or nationally, to help them solve local problems. That assistance should not be restricted to the local field office or to other local technical assistance providers because it is quite possible that the most innovative or effective solution to a grantee's problem is already being implemented somewhere 2,500 miles away!

One-HUD Philosophy

Other issues presented include exercising the "One-HUD" philosophy whereby, during the HUD Consultation (the first phase in the GMS cycle) in particular, it would be helpful to have all other branches of HUD present as well, so that grantee needs and issues may be addressed broadly, across all the varied offices within HUD, at one time. Perhaps there is a multifamily housing issue and/or a fair housing issue that a locality is grappling with, in addition to fostering community development initiatives. To have HUD representatives from each of these areas present at the Consultation would prove most effective for grantees.

Comprehensiveness

Another issue that brought discussion was ensuring that a grantee's Comprehensive Plan document is truly comprehensive in that it includes *all* aspects of a community's vision for its future and its plan for getting there -- and not just those aspects that only narrowly focus on HUD's role in that development.

Performance Measures

In a discussion about Best Practices and how communities can use them effectively, an interesting distinction was made between "output" issues, e.g., the number of units rehabilitated and the number of beds made available to shelter the homeless, versus "outcome" issues, which speak more to the point of the *effect* that those numbers have had on the community. For example, if HUD dollars were invested in facade improvements or housing rehabilitation in a particular neighborhood, did it have an effect on local crime statistics perhaps? Did the number of new businesses in the area increase? Did the overall quality of life in the community improve? These issues provided a thought-provoking moment in the afternoon's discussion.

Grantees Take the Next Step

From the policy session, a series of working groups were formed to address issues brought to light during the Policy Committee's working session. "We've bugged HUD for years to recognize that state issues are different [from those of entitlement cities and urban counties]," Maryland's Greiner said. "It's nice to now have a subcommittee dealing with this."

In addition to the State/Rural Issues working group, other working group topics included the Consolidated Plan, Best Practices, Outputs vs. Outcomes, IDIS

Technology Systems, and IDIS Management Issues. All working groups were comprised of both grantees and HUD's staff, who will be exploring these issues in further detail over the coming year to facilitate a continuous cycle in refining GMS. Because nothing is ever "perfect" the first time out, it is with the help of HUD's partners, its grantees, that GMS will be improved year after year after year, through a continuous cycle of feedback, refinement, and follow-through action.

What came out of the Policy Committee working sessions was presented later to the entire body of Symposium participants for further comment. Subsequently, all participants were invited to join these working groups.

Helpful Hint . . .

- **Become Involved.** Working groups were formed in Houston to address specific issues for refining the grants management process over the coming year. Please contact Letha Strothers, Best Practices Manager at 202-708-

This Is Not the Same HUD!

The mere process of involving grantees to help fine-tune its Grants Management System proved to be so unlike HUD's traditional way of conducting business that one grantee representative was heard to exclaim, "This is *not* the same HUD!"

Winston-Salem's Dr. Lett appreciated the opportunity to become involved. She noted that "there was a different level of communication," between HUD and grantee there in Houston. Cape Coral's Jeff Meadows appreciated HUD's bottom-up approach, observing that "it followed up on what it said it would do," in terms of forming working groups to examine further the issues discussed in the policy sessions.

Just Wait 'Til Next Year: Building The Profession Of Community Development Practitioners

Perhaps one of the most gratifying observations during the Symposium was that many grantees were heard to say something like, "Just wait 'til next year. We're going to try to win *six* out of the seven categories!" More important than the number of categories won, however, was the notion that the very *process* of "winning" elevates the state of the art of the community development profession, nationwide.

Said by many to be the best HUD conference ever, the Symposium was, at once, the culmination and the beginning. It marked the culmination of a year-long

process of identifying exemplary community development practices, programs, and techniques that serve low- and moderate-income citizens. But it also marked the beginning of what is hoped will be a continuous process of sharing those techniques with all communities, in an effort to raise the standard of community development (refer to **Spotlighting What Works**, Issue No. 19, May 7, 1997)

Katie Worsham, Acting Secretary's Representative for the Southwest Region, believes that this is "just the beginning . . . that we haven't yet tapped into grantees and all of the resources they can offer." Worsham added that cities are not used to HUD coming to *them* for ideas, but that they serve as an important resource for "putting forth many good ideas in the future." She foresees that "the best is yet to come."

Effective partnerships can be found where all partners are looking ahead in the same direction, working toward similar goals. From the Houston Symposium it can be said that HUD and its partners, its grantees, are definitely looking in the same direction toward the future. It was important that grantees provide input into GMS before moving ahead into its second year of operation; and, it was in Houston that CPD received that input, along with validation, that it is in fact moving in the right direction. HUD and its grantees have made great strides this past year. In the coming year, we can expect they will continue their journey helping each other smooth the road paved last year by GMS.

For Further Information . . .

Spotlighting What Works is published by HUD's Office of Community Planning and Development. This issue was written by Beth E. Williams. For more information about Best Practices, the working groups mentioned in this article, or other issues of the publication, please contact Best Practices Project Manager, Letha E. Strothers, either by e-mail at letha_e._strothers@hud.gov or by calling her directly at 202-708-1283. Also, visit the Best Practices website at <http://www.hud.gov/cpd/cpdcomde.html>.

The Universal Truths

One of the highlights of the three-day Symposium was the series of afternoon break-out sessions, during which several grantee representatives were asked to make presentations on their own Best Practice. Each of the break-out sessions (focused on specific topic areas, e.g., Continuum of Care, Decent Housing, Program Requirements) was recorded by a scribe. At the end of every day, all scribes convened to distill the common themes, i.e., universal truths, for the day, which were then reported back to the entire body the following morning.

JULY 9 SESSION REPORTS

Continuum of Care

- *Continuum of Care is working! Most important feature is that **communities can design their own programs**, based on own strengths and weaknesses. HUD has not mandated who has to be in charge, thus communities can decide who should be lead organization.*
- ***Partnerships** and involvement of unusual partners, e.g. banking, architects, institutes, motels. Government is not sole provider or director.*
- ***Results:** gaps closed; funding provided; people served; and number of programs serving low income beneficiaries increased.*
- *Universities are now coming to table as well. Roles include program evaluation, intake, and evaluation tool development.*
- *Concept that Continuum of Care is no longer a social service issue; big government can't do it all, but must be solved at **local** level.*
- ***Next challenge:** encouraging clients to use system in organized way so that they emerge with ability to live independently.*

Decent Housing

- ***Solid support system**, or “political will” is essential, especially from top elected officials, to move forward.*
- ***Forging partnerships.** Hard work, but starts with someone asking influential member of community to help. The more players, the more effective, though more difficult to manage. CRA is important tool for bringing banks to table. While all contributed, all also benefitted by receiving direct business benefits.*
- ***Leveraging funds.** City may take lead in helping banks see low/mod citizens as customers.*
- ***Citizen participation** is vital. Some communities had citizens take **direct participation in program design**. Education is key to combat NIMBYism, convincing that low/mod housing is not same as “public housing”.*
- ***Effective planning process** takes into account culture of community, including experience. Credibility and trust are vital to process; if citizens see process as just a show, they will drop out.*
- ***Creativity** — thinking outside of box.*
- ***Flexibility** — a vast variety of approaches work as long as done well.*
- *Consider your **customers**. Pre-purchase or other education/counseling to them is essential. Important to respect abilities and energies of customers — to consider them as partners.*

Consolidated Planing / Suitable Living Environment

Ten Valuable Truths:

1. *Start process early.*

People oriented process:

2. *Ensure process is user friendly and inclusive.*
3. *Create forum for open dialogue among all participants.*
4. *Consensus building — from top down or bottom up.*
5. *Partnership building — unlikely places including corporations, universities.*

Process oriented steps:

6. *Design program around local conditions, including strengths (political etc.)*
7. *Create written brochure to describe Consolidated Plan process*
8. *Ensure good distribution of information*
9. *Provide TA to all interested organizations/parties. Help understand process*
10. *Planning is evolutionary — there is no end to consolidated planning.*

Grants Management / Program Requirements

Subrecipient breakouts:

- *Active approaches to monitoring (whether city, urban county, state)*
- *Clearly defined subrecipient's responsibilities to receiving funds at outset.*
- *Grantees conducted workshops, provided intensive TA, helped subrecipients along each step of way to ensure compliance.*
- *Strong communication with subrecipients necessary, and other departments/funding sources subrecipients rely upon.*

IDIS breakouts:

- *Paid attention to details through each step in process. Made sure every dollar is reconciled with LOCCS.*
- *Grantee made sure they devoted sufficient staff, staff time, and funds. Also made sure there were sufficient travel funds to do monitoring, so could do preventive work, rather than up front. This applied to IDIS process — start with good base.*

Economic Opportunity

- *Marketing, e.g., public relations, print, radio, and neighborhood meetings. All programs had neighborhood buy-in.*
- *Researched and assessed gaps and economic base by which plans were developed*
- *Education, used institutions such as high schools to help.*
- *Developed diverse economic base that is accessible to all people.*
- *Management team with group whose own business was economic development.*
- *Advisory boards to review applications.*
- *Journeyman, in good and bad times, be there to support all. Make good out of bad.*
- *Opportunities provided that otherwise would not be there. "But for" these funds (like in old UDAG program) loans/jobs would not be created.*
- *Risk mitigation -- securing loans by letter of credit, etc.*
- *Partnerships throughout process -- from citizens up to CEOs of major corporations. Could be either bottom up or top down.*
- *Leveraging dollars (public and private), human resources, and other programs including housing to create jobs.*
- *Assessment of loans at closing -- call to see how clients business is doing.*
- *You must have a vision to succeed -- what you are striving for so you can measure progress.*
- *Experience with lending, including understanding underwriting criteria.*
- *Results -- measure in direct benefits (loans made, jobs created) and indirect benefits resulting from assistance.*
- *Technical Assistance -- define project areas and markets.*
- *Establish statistics for multiplier effect.*
- *Political Support. Required no matter how well designed/implemented.*
- *Augmented programs with taxes and tax credit programs.*
- *Section 108 loans and Section 3 tie-ins (public housing residents, Section 8 residents, etc.), e.g.,*

Jacksonville used Section 108; used taxes generated by development to pay off loans, and secured by traditional collateral.)

JULY 10 SESSION REPORTS

Consolidated Planning / Suitable Living Environment

- *Made sure elected officials were on board — committed to funding neighborhood designated priorities.*
- *Planning is not a top down, but bottom up process, and involved all stakeholders*
- *Interagency coordination was stressed.*
- *Trained citizens to be planners, and planners to be community developers.*

Continuum of Care

- *Had one or more visionary, committed person (e.g. government staff, nonprofit, homeless) as leader. Leader selected depends on community.*
- *Avoided unnecessary duplication (some strived for no duplication)*
- *Flexibility and fluidity in planning process and implementation - adjust to identified needs.*
- *Planning for political support at start and during continuum of care process. Either up front or build program first and then get political support.*
- *Think from client rather than government perspective - how is client moving through system.*
- *Building relationships and trust among people. Can use a variety of techniques, including mediation, facilitation of discussions, focus group on common interests and goals, etc. Stress win/win mind set.*

Outgrowth of putting Continuum of Care in place:

- *Continuum of Care has worked, systems have developed, vision is in place, new partners brought in to expand beyond traditional homeless field.*
- *Attracting new funding beyond HUD.*
- *Creating and reinforcing networks of people.*
- *Increased likelihood of success for customers to move out of homelessness into self- sufficiency.*

Decent Housing

- *Importance in involving neighborhoods in beginning of planning process to get “buy-in”. Can’t force support.*
- *Better to concentrate effort (e.g. new construction and rehab) rather than run scattered programs.*
- *Get customers involved up front (e.g. brought in tenants first and got agreement to relocate due to drugs in neighborhood)*
- *Interagency cooperation is vital.*
- *Employment/Life skills/education training should be considered in ever affordable housing program (Section 3).*
- *Investigate using HUD single-family disposition program as local community resource - recommended talk to HUD. Many acquired at low cost and converted to home ownership opportunities.*

Economic Opportunity

- Each had well defined ***purpose*** — population or area, goals and objectives, vision, or outcomes that have multiplier impact.
- Built by and with ***people*** — community leadership and networks involved
- ***Political*** — implementors worked within political systems (though not necessarily involved in partisan politics). Used data to build awareness and to develop programs and policies to address issues.
- ***Practical*** — developed systems and processes to protect and maximize investment. Needed to redefine what risk is. Needed to get money back from investment.

Grants Management

Grant Management Scribes asked for opportunity to re-submit summary report that they felt would be more representative of what the group had described than the one presented at the plenary by a scribe spokesperson. The report has not yet been received.